



Toledo  
Community  
Foundation

# "GIVING" ADVICE

Inspiring and Connecting Thoughtful Giving



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## About Your Foundation

Since 1973, the **Toledo Community Foundation** has provided individuals, families and businesses interested in the well-being of our community with an *efficient, effective, low-cost, professionally managed* mechanism to achieve their charitable goals.

For philanthropists wishing to maximize the impact and life of their charitable gifts, the Foundation provides *resources for thoughtful giving*. Using its expertise and personalized services, **Toledo Community Foundation** helps donors transform their philanthropic impulse to measurable community impact. Beyond the gifting of assets, the Foundation helps donors identify issues of importance to them and *inspires engagement* with community organizations addressing these issues, thereby maximizing the impact of charitable gifts and creating a greater sense of fulfillment.

## Terminating a Private Foundation

ADDRESSING CLIENTS' MOTIVATIONS FOR TERMINATING A PRIVATE FOUNDATION, AND REVIEWING THE ALTERNATIVES—CAN HELP EASE THE TRANSITION

The number of private foundations has increased dramatically over the past several decades, but so have the number of families wishing to terminate them. Recent clarifications in the tax code have simplified the termination process.

Between 1990 and 2000, the number of foundations increased by 75 percent, to almost 57,000, compared to an increase of 47 percent in the 1980's, according to The Foundation Center, a provider of information and research about philanthropy in the U.S. By far the largest surge was in foundations with less than \$10 million in assets.

In 2000, the last year for which figures are available, private foundations were shutting down at a rate of 6 percent per year, according

to the Association of Small Foundations.

Philanthropy experts believe that some private foundations are terminating simply because too many were created in the first place. "In the IPO-era of the 1990's, many baby boomers saw their stock portfolios rise, and at the same time, they came into the age of inheritance, a transfer of over \$200 trillion," says Philip Flynn, of Philanthropic Focus, LLC, in Vero Beach, Fla., an administration office for family foundations.

A recent article in Bloomberg Wealth Manager picked up the potential trend, and sparked much interest in the philanthropic and advisor communities. [*Meltdown* by Deborah L. Jacobs, Oct 2004.] The article stressed that advisors can ease the transition by arming

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## The Mechanics of Terminating a Private Foundation

EXPERTS REVIEW THE ADVANTAGES—AND MECHANICS—OF CONVERTING A PRIVATE FOUNDATION TO A PUBLIC CHARITY OR DONOR ADVISED FUND

Many families start private foundations with great enthusiasm, eager to research their favorite charities and involve their families. However, "private foundations can unify the goals of a family, but they can also become divisive as enthusiasm wanes," says Susan C. Kaplan, MBA, CFP, of Kaplan Financial in Newton, Mass.

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